

## Message Text

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44

ORIGIN XMB-04

INFO OCT-01 AF-06 ISO-00 AID-05 CIAE-00 COME-00 EB-07

FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 OPIC-03 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 /051 R

66613

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XMB:WWGLICK

EB/IFD/ODF:RASWART

AF/E:HHJANIN

----- 056928

R 032235Z JUL 75

FM SECSTATE WASHDC

TO AMEMBASSY LUSAKA

LIMITED OFFICIAL USE STATE 158106

E.O. 11652: N/A

TAGS: EGEN

SUBJ: EXIMBANK LENDING POLICY

REF: LUSAKA 1212

1. EXIMBANK ASSUMED NEED FOR GRZ GUARANTEE ON CREDITS TO NCHANGA (CREDIT NO. 5737) AND ROAN (CREDIT NO. 5915) HAD BEEN SETTLED. AMOUNTS INVOLVED ARE NOT CONSIDERED SMALL AS U.S. PURCHASES UNDER BOTH CREDITS TOTAL \$44.5 MILLION, INVOLVING EXIMBANK EXPOSURE OF \$27.5 MILLION. FIRST NATIONAL CITY BANK, PARTICIPATING LENDER UNDER CREDIT NO. 5737 FOR \$16.7 MILLION, IS EXTENDING HALF OF ITS CREDIT WITHOUT EXIMBANK'S GUARANTEE AND WILL REQUIRE GRZ GUARANTEE. ESSENTIAL REASON FOR GRZ GUARANTEE REQUIREMENT IS THAT BOTH NCHANGA AND ROAN ARE NOT CONSIDERED INDEPENDENT COMPANIES, BUT RATHER THOSE UNDER EFFECTIVE GRZ CONTROL. IF GRZ NOT PREPARED TO GUARANTEE BECAUSE LIMITED OFFICIAL USE  
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OF PROBLEMS IN NATIONAL ASSEMBLY, EXIMBANK PREPARED TO CONSIDER AMENDING BOTH CREDITS TO MAKE GRZ DIRECT OBLIGOR AS IN ZAMBIA AIRWAYS AND RAILWAYS CASES.

2. EXIMBANK WOULD APPRECIATE MORE COMPREHENSIVE EXPLANATION OF GRZ DISINCLINATION TO ACCEPT CONSORTIUM CREDIT BEING ARRANGED BY CHEMICAL BANK FOR 45 PERCENT (\$9.7 MILLION) OF 707/737 AIR-CRAFT FINANCING. NEED TO ASSEMBLE GROUP OF BANKS REFLECTS FACT CHEMICAL UNABLE TO TAKE ENTIRE CREDIT AND IS MOST COMMON FINANCING MECHANISM WHICH USED MOST RECENTLY IN EURODOLLAR CREDIT FOR NCHANGA. EXIMBANK INFORMED BY CHEMICAL THAT CONSORTIUM COMPLETED EXCEPT FOR \$2.0 MILLION. IF THIS AMOUNT PROVES TO BE UNAVAILABLE WITHOUT AN EXIMBANK GUARANTEE, BANK PREPARED TO CONSIDER GRZ APPLICATION FOR SUPPLEMENTAL GUARANTEE. EXIMBANK NOT PREPARED TO AUTHORIZE ITS GUARANTEE ON PRIVATE CREDITS WHERE IT NOT REQUIRED BY LENDERS AND THIS WOULD NOT APPEAR TO BE IN GRZ INTEREST AS IT COULD CAUSE RAPID INCREASE IN EXIMBANK'S EXPOSURE, POSSIBLY RESTRICTING AMOUNTS AVAILABLE FOR LATER TRANSACTIONS.

3. EXIMBANK CHECKING WITH UNGUARANTEED PARTICIPATING LENDER (CONTINENTAL BANK) RE SOVEREIGN IMMUNITY LANGUAGE IN DRAFT LOCOMOTIVE CREDIT AGREEMENT AND WILL REPLY BY SEPTTEL. SISCO

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 26 AUG 1999  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** LOANS, POLICIES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 03 JUL 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** ShawDG  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
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**Document Unique ID:** 00  
**Drafter:** XMB:JWLENTZ  
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**Executive Order:** N/A  
**Errors:** n/a  
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**Original Handling Restrictions:** n/a  
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**Reference:** n/a  
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**Review Authority:** ShawDG  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 02 SEP 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <02 SEP 2003 by CunninFX>; APPROVED <17 DEC 2003 by ShawDG>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
06 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
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**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006